Rural Development in South Africa: The role of Agriculture

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Introduction

• Policies on aspects of rural development are being drawn up in developing contexts across the globe, responding to growing demands and diverse challenges

• For instance, a statement issued following a meeting of the G20 Agriculture Ministers (June, 2011) to address the issue of food price volatility, had this to say

  – Food security will remain a critical issue for the international community, especially in developing countries. (*today impact of US drought on food prices*)
  – World population is projected to reach more than 9 billion by the middle of this century. (*20 million of world’s poor and hungry live in SA*)
  – To strengthen food security, steps must be taken to improve access and availability of safe, sufficient and nutritious food for the most vulnerable, esp. women and children
• The **triple challenge for agriculture**: meeting food security objectives while adapting to climate change and reducing its contribution to greenhouse gas emissions, requires improving the efficiency and adaptive capacity of agricultural systems

• Greater and sustainable productivity, better market information, comprehensive rural development and agricultural policies, and sustained investments **enable agricultural producers** to increase production, enhance their income and improve supply of food

• This in turn, **requires decisive action**: improvements in land and water management, improved agricultural technologies, well-functioning markets, and an enabling environment attractive to private sector
Agricultural policies have an important role to play with regard to all these challenges, they said

- Given that small-scale agricultural producers represent the majority of the food insecure in developing countries and the bulk of production in many countries

  Therefore,

- Increasing smallholder production and income would directly improve access to food among the most vulnerable households and improve supply for local and national markets

  This in turn,

- Will result in improved material and social conditions for millions of rural communities and rural households around the world.
But then,

What is our situation in South Africa in as far as development for rural people and rural areas is concerned?

When we say Rural, or Rural Development, what do we mean, precisely?
Problem Statement

• South Africa’s economy has always been linked to the separate
development agenda, which has resulted in

  – fragmented spatial development planning along historical
  lines and patterns
  – poor / no economic, social and cultural linkages to areas of
    economic activity, and relatively prosperous commercial and
    urban centres
  – enduring underdevelopment with its social, economic,
    and cultural manifestations: poverty, gross income
    inequality, and chronic unemployment

• The major share of GDP contribution in former Homeland areas
  is represented by higher government salary payments, rather
  than increased production of goods and marketable services
Problem Statement cont

- Rural SA is a consumer society (NISS study, 2011: 96% of rural people identified supermarkets as source of food supply!)

- Over half of h/holds in the former Homeland areas rely on social grants, or remittances for own livelihoods, but these are not strategically utilised to sustain the rural economy

- Remittances & social grants are largely spent in support of formal big capital, which create a vicious cycle of poverty and inequality

- How can we better capitalise on the dynamic daily connections in the rural economy?
Impact of separate development

- Segregated South Africa into three kinds of social, economic and politico-administrative spaces:
  - the major urban areas, which were a preserve of white people;
  - fertile commercial farming regions and associated small rural towns (also a preserve for whites) &
  - Barren ‘homelands’ reserved for black people

- Under utilisation and/or unsustainable use of NRs
- Poor access to socio-economic infrastructure and government services
Densely and Sparsely populated rural areas

- Old Home land Areas (densely populated)
- Sparsely populated rural areas

Legend:
- CRPD Sites
- WOP Sites
- 2920 Rural Wards
Rural Development Framework (1997) defined rural as...

- Sparsely populated areas in which people farm or depend on natural resources, including villages and small towns that are dispersed throughout these areas.

- They include large settlements in the former homelands, created by apartheid removals, which have an economy based on external transfers for their survival (e.g. migratory labour, social grants and remittances).

- “Rurality” refers to a way of life, a state of mind and a culture which revolves around land, livestock, cropping, use of natural resources, and community.
## Key Policy Issues arising from definition

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<th>Definition</th>
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| **Sparsely populated areas**                                              | 1. How do we improve the agricultural economy (commercial and smallholder), green economy, tourism etc?  
2. How do we maximise employment generation from these sectors?  
3. How do we provide suitable services?                                    |
| **They include large settlements in former homelands**                    | 1. How do we develop appropriate social services for these areas?  
2. What can we do to develop a more viable economy in these artificial areas |
| **“Rurality” - a way of life, a state of mind and a culture**               | 1. How can we build sustainable livelihoods based on NR and local culture?  
2. How can we empower rural communities so that people can build on rural culture and assets and create their own unique future? |
Agrarian Transformation for RD

1. The debate about agrarian change and rural development begins with land as a national asset for food sovereignty and food security.

2. The rural development policy framework is premised on the effects of the dispossession of land and systematic deprivation of land use rights, culture and social cohesion of rural black South Africa.

3. Success in land use and agricultural productivity is a Right-based issue.
Work done since 1994

• Government instituted five tenets of the Reconstruction and Development Programme to deal with both rural and urban poverty and transformation

• These are:
  – meeting basic human needs,
  – developing human resources;
  – building the economy;
  – democratising the state and society, and
  – implementing the RDP.
Progress since 1994

ISRDP (2001)
- a) District level based interventions
- b) Unfunded programme
- c) Reliant on the coordination of the 3 spheres of government

Rural Development Framework (1997)
- Not confirmed as policy

Reconstruction and Development Programme (1994)

War on Poverty (2008)
- a) Household level based interventions (wards)
- b) Unfunded programme
- c) Based on a "referral" system to provide better services to households

CRDP (2009)
- a) Household and ward level based interventions (wards)
- b) Funded programme
- c) Based on a referral system to provide better services to Households
- d) Reliant on coordination and joint planning of the 3 spheres of government
Some Reflections on Lessons Learnt

Rural Public policy was largely ineffective because:

• It was not the product of informed public debate
• It consisted of isolated elements of sectoral policy created without regard to inter-sectoral effects, primarily focusing on short term priorities.
• It was often urban policy that was poorly modified to fit nonurban settings
• It was also based on the erroneous assumption that there are public institutions that serve the unique needs of rural areas
A New Trajectory: Comprehensive Rural Development Plan
A rapid and fundamental change in the relations (systems and patterns of ownership and control) of land, livestock, cropping and community.

1. State and Public Land
   - Don’t sell – lease hold

2. Private Land
   - Free hold with limited extent
   - State the first right of refusal when selling

3. Foreign land ownership
   - Precarious tenure

4. Institution
   4.1 Land Management Commission
   - Power to subpoena
   - Power to inquire on own volition or at the instance of interested parties
   - Power to verify/validate title deeds
   - Demand declaration of Land holdings
   - Grant amnesty or prosecute

4.2 Valuer General

4.3 LRMB

4.4 Rural Development Monitors (Rangers)

Food Security:

Strategic Partnerships:
- Mentoring
- Co-management
- Share equity
- Modalities being worked out between the Dept and farmers; big and small

Meeting Basic Human Needs

Enterprise development

Agro-village industries; credit facilities

Rural development measurables

Tenure System Reform

Economic infrastructure inputs:
- Agri-parks, fencing, seeds, fertilizer, extension support, etc

Economic infrastructure inputs:
- Abattoirs, animal handling facilities, feed-lots, mechanising stock water dams, dip tanks, windmills, fencing, harvesters, etc

Roads, bridges, energy, water services, sanitation, library, crèches, early childhood centres, Police stations, clinics, houses, small rural towns revitalisation.
Sustainability Conditions

- economic development
- socio-cultural development: health, education and recreation
- environmental development
- institutional / political support
- Aesthetic relational values

AGRARIAN TRANSFORMATION
‘A rapid and fundamental change in the relations (systems and patterns of ownership and control) of land, livestock, cropping and community.’
Aligned to Key Government Initiatives

- **New Economic Growth Path, 2010:**
  - provides further impetus to the vision for a transformed rural sector
  - Prioritize job creation through infrastructure development, agriculture, mining, manufacturing, the “green economy”, and tourism

- **Industrial Policy Action Plan (IPAP2), 2010**
  - expand production in value-added sectors with high employment and growth multipliers that compete in export markets as well as in the domestic market against imports
Key Performance Outputs for RD

Output 1: Sustainable agrarian reform with thriving farming sector

Output 2: Improved access to affordable and diverse food

Output 3: Improved Rural services to support livelihoods

Output 4: Rural job creation and promoting economic livelihoods

Output 5: Rural Institutions

- Improved Rural services to support livelihoods
By 2030 we intend to see...
By 2030

- The no. of h/holds living under the poverty line of R418 pp/ per month should fall from 39% (or 20 million of SA pop.) to zero
- The level of inequality as measured by the Gini co-efficient should fall from 0.7 in 2009 to 0.6 in 2030
- More than 50% (10 m) of the poor in the country live in the cities
- This implies that:
  - About 400 000 people must graduate out of rural poverty every year in the next 20 years to zero rural poverty by 2030
  - A total of 2 million people must graduate out of rural poverty btwn 2009 and 2014 for zero rural poverty to be realised by 2030 (National Development Plan, 2011)
In addition, we are a signatory to the Comprehensive Africa Agriculture Development Program (CAADP),

- which is aligned to international trends (G20)
- recognizes the critical need to strengthen agricultural research and innovation
- support results based agricultural research for development through our national agricultural research systems and the need to
- enhance public-private partnerships, in particular to improve market and value-chain cooperation and procurement from smallholder producers and traders
Through the pursuit of CAADP, we shall contribute toward

• Improving foresight and awareness on future agricultural challenges and the needs of smallholder farmers to better shape agricultural innovation
• Creating effective partnerships along the complex pathways between research and development outcomes and identifying practical steps towards large-scale impacts (*CAADP compacts*)
• Addressing capacity and investment along pathways for the generation, sharing, access and use of agricultural knowledge in development
• Making the needs of women and young producers central to agricultural research and rural development
The fragmentation of rural development initiatives and weak linkages with wider development processes and farmers, civil society organizations and the private sector present major bottlenecks constraining the value and impact of interventions on rural livelihoods

(Monty Jones, Chair of GFAR 2012)
Demand for a New Breed of Extension Agent

- Extension and Advisory Services (EAS) have a critical new role to play in rural and agricultural development
- In today’s complex world, the 'New Extensionist' should have a new role, adopt new strategies, and be equipped with different capacities for relevance
- Our EAS is wanting
- The mid-term review of government cited weak support services, incl. Extension as a contributor to declining productivity on new farms, post-settlement
- As a result, agrarian transformation remains a dream deferred with only 10% of the 30% target transferred by March, 2012
Role of the 'New Extensionist'

- development of networks,
- organising producers,
- mediating conflicts,
- facilitating access to credit, inputs and output services,
- convening innovation platforms,
- advocacy for policy change and
- disseminating new knowledge through training and demonstrations, and
- must have a good understanding of new technical knowledge and skills to manage social processes
In conclusion...
Conclusion

• Rural development is a transversal function and cannot be executed successfully without the collaboration amongst a variety of social partners

• It is important to have institutionalised support mechanisms (access to loans, information, markets, etc) coupled with land ownership for meaningful empowerment

• Through social mobilisation and organising of rural people into functional groups, communities can effectively take charge of their own development
This is the task at hand for AgriSETA

• To adequately equip individual and group actors in ARD for a Comprehensive and Relevant Response to the new demands and challenges

• Maybe AgriSETA should ask of itself – the extent to which she is sufficiently responsive to new demands facing the sector, rural producers and practitioners

• As the old adage goes, it is all in your hands.
I thank you.

Go to http://www.thepresidency.gov.za/dpme.asp for PME documents including narrative guide to outcomes approach, outcomes documents and delivery agreement guide.